



# Tier 3 Member Enrollment & Benefits

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# Agenda

- 1. Tier 3 overview**
- 2. New member enrollment**
- 3. New re-enrollment rules**
- 4. Tier 3 benefits**
- 5. Questions**

# Tier 3 Overview

- Current benefit structure for all new hires
  - EODCRS as of January 1, 2014
  - PSPRS as of July 1, 2017
  - CORP as of July 1, 2018
- Allows members to decide on plan participation
  - Available only to PSPRS & CORP-AOC members
- Employee and employer contribution requirements
  - PSPRS risk pool vs. non-risk pool



# New Member Enrollment

# New Member Enrollment Rules

PSPRS

- Employer submits new hire enrollment to PSPRS once individual is eligible for membership
  - Are they considered member during or after academy?
- Member given 90-day period from PSPRS membership eligibility to select plan
  - Defined benefit (DB) vs. defined contribution (DC) election
  - Member has 90-day period to consider (or make changes to previous election)
- No contributions remitted to PSPRS during 90-day period

# New Member Enrollment Rules

PSPRS (cont.)

- Failure to make election defaults member into DB plan
- Election remains in effect during entire employment period
- During election period no service/credited service is earned
- Plan contributions begin in pay period that includes the 91<sup>st</sup> day
- If member is electing DC plan:
  - Decision on contribution rate
  - Decision on health insurance subsidy
- PSPRS sends weekly notice to employers on member plan elections

# PSPRS Tier 3 Election

Impacted by employer's coverage/participation under Social Security

Will the employer pay into Social Security on behalf of this member?

YES

Member chooses one of the following:

**Defined Benefit (DB) Plan**  
Member receives lifetime pension plus Social Security at retirement

**Defined Contribution (DC) Plan**  
Member and employer contribute to 401(a) account plus Social Security at retirement

NO

Member chooses one of the following:

**DB/DC "Hybrid" Plan**  
Member receives lifetime pension plus DC account balance at retirement

**Defined Contribution (DC) Plan**  
Member and employer contribute to 401(a) account for retirement

# New Member Enrollment Rules

CORP

- Employer submits new hire enrollment to PSPRS once individual is eligible for membership
- Member given 90-day period from CORP membership eligibility to select plan
  - DB vs. DC election (AOC probation/surveillance)
  - DC rate election (All other CORP)
  - Member has 90-day period to consider (or make changes to previous election)
- No contributions remitted to PSPRS during 90-day period

# New Member Enrollment Rules

CORP (cont.)

- Failure to make selection defaults election:
  - AOC-probation/surveillance: DB plan default
  - All other CORP: DC rate default of 7%
- If member is enrolling in DC plan
  - Electing DC contribution rate
  - Electing coverage under health insurance subsidy
- Election remains in effect during entire employment

# New Member Enrollment Rules

EODCRS

- Newly elected (or appointed) official automatically enrolled into EODCRS unless:
  - They are retired from EODCRS
  - Have association with ASRS, and ASRS has confirmed official's eligibility for membership in the ASRS (requires employer outreach to ASRS)
  - Qualify to participate in EORP DB plan
- No 90-day election of DC member contribution rate set at 8%



# New Re-enrollment Rules

Applicable to PSPRS & CORP only

# New Re-enrollment Rules

PSPRS & CORP

- Newly established re-enrollment rules effective, October 2023
  - PSPRS and CORP impacted
- What does “re-enrollment” mean
- Opens 90-day window to either reconfirm existing election or update/change
- Any changes made remain in effect for the remainder of member employment with employer

# New Re-enrollment Rules

The details

- Member is initially enrolled in previously recorded plan
- When can changes be made:
  - If returning to same employer, and a bona fide 6-month period has elapsed since termination
  - Re-employment is with a different employer
  - Re-employment is in a position that provides different plan options (i.e., AOC position changes)
- 90-day window is given to member to reconfirm existing election or update/change
  - One-time opportunity that closes upon confirmation from member on decision (may be sooner than 90-days)

# New Re-enrollment Rules

The details (cont.)

- Member will continue to earn service/credited service in previously recorded plan
- Member and employer contributions required during re-employment election period
- No action by member by end of 90-day period results in default into previously recorded plan
- Any changes remain in effect for the duration of member employment with employer



# Tier 3 Benefits

Quick overview

# Tier 3 Benefits

PSPRS

**Member has option between a defined benefit (DB) plan or defined contribution (DC) plan**

**Traditional DB plan provides:**

- Normal lifetime pension
  - Contribution rates vary according to employer, adjusted annually
- Survivor pension
- Disability benefits
- Health insurance subsidies upon retirement
- Line of duty death benefits for eligible survivors
- DC account (if member qualifies for hybrid-DB)
  - 3% member contribution plus 3% employer matching contribution

## Tier 3 Benefits

PSPRS (cont.)

### DC plan provides:

- Option to select contribution rate (base requirement 9%)
  - 9% employer matching contribution
- Ability to self-direct future retirement account (through fund investments)
  - Default into target date retirement fund
- Vesting schedule to own employer contributions
- Optional health subsidy benefit upon retirement
  - Contribution rate adjusted annually
- Work-related disability benefits
- Line of duty death benefits for eligible survivors

## Tier 3 Benefits

CORP-Non-AOC  
probation/surveillance

### **Member is auto-enrolled in defined contribution (DC) plan**

#### **DC plan provides:**

- Option to select contribution rate (base requirement 5%, with default rate of 7%)
  - 5% employer matching contribution
- Ability to self-direct future retirement account (through fund investments)
  - Default into target date retirement fund
- Vesting schedule to own employer contributions
- Optional health subsidy benefit upon retirement
  - Contribution rate adjusted annually
- Work-related disability benefits
- Line of duty death benefits for eligible

## Tier 3 Benefits

CORP-AOC probation/surveillance

**Member has option between a defined benefit (DB) plan or defined contribution (DC) plan**

### **Traditional DB plan provides:**

- Normal lifetime pension
  - Contribution rates adjusted annually
- Survivor pension
- Disability benefits
- Health insurance subsidies upon retirement
- Line of duty death benefits for eligible survivors

## Tier 3 Benefits

CORP-AOC probation/surveillance  
(cont.)

### DC plan provides:

- Option to select contribution rate (base requirement 5%, with default rate of 7%)
  - 5% employer matching contribution
- Ability to self-direct future retirement account (through fund investments)
  - Default into target date retirement fund
- Vesting schedule to own employer contributions
- Optional health subsidy benefit upon retirement
  - Contribution rate adjusted annually
- Work-related disability benefits

## Tier 3 Benefits

EODCRS

### Member is auto enrolled in defined contribution (DC) plan

#### DC plan provides:

- Set member contribution rate of 8%
  - 6% employer matching contribution
- Ability to self-direct future retirement account (through fund investments)
  - Default into target date retirement fund
- Immediate vesting of employer contributions
- Disability benefits



# Questions, comments and discussion

What questions do you have?

